

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

DRAFT
10.13.09

BILL 1

LLS NO. 10-0158.01 Christy Chase

INTERIM COMMITTEE BILL

Health Care Task Force

SHORT TITLE: "No Gender Individual Health Ins Rates"

A BILL FOR AN ACT

101 **CONCERNING A PROHIBITION AGAINST CONSIDERATION OF GENDER IN**
102 **SETTING RATES FOR INDIVIDUAL HEALTH INSURANCE POLICIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Health Care Task Force. The bill prohibits carriers from using gender as a basis for varying premium rates for individual health insurance policies and declares premium rates based on gender to be unfairly discriminatory.

1 *Be it enacted by the General Assembly of the State of Colorado:*

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

1 **SECTION 1.** 10-16-107 (1.5), Colorado Revised Statutes, is
2 amended to read:

3 **10-16-107. Rate regulation - rules - approval of policy forms**
4 **- benefit certificates - evidences of coverage - benefits ratio -**
5 **disclosures on treatment of intractable pain.** (1.5) (a) Rates for an
6 individual sickness, accident, or health insurance policy, contract,
7 certificate, or other evidence of coverage issued or delivered to any
8 policyholder, enrollee, subscriber, or member in Colorado by an insurer
9 subject to ~~the provisions of~~ part 2 of this article or an entity subject to ~~the~~
10 ~~provisions of~~ part 3 or 4 of this article shall not be excessive, inadequate,
11 or unfairly discriminatory to assure compliance with the requirements of
12 this section that rates are not excessive in relation to benefits. Rates are
13 excessive if they are likely to produce a long run profit that is
14 unreasonably high for the insurance provided or if expenses are
15 unreasonably high in relation to services rendered. In determining if rates
16 are excessive, the commissioner may consider the expected filed rates in
17 relation to the actual rates charged. Concerning inadequacy, rates are not
18 inadequate unless clearly insufficient to sustain projected losses and
19 expenses, or the use of such rates, if continued, will tend to create a
20 monopoly in the market. Concerning unfair discrimination, unfair
21 discrimination exists if, after allowing for practical limitations, price
22 differentials fail to reflect equitably the differences in expected losses and
23 expenses.

24 (b) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE,
25 AN INSURER SUBJECT TO PART 2 OF THIS ARTICLE OR AN ENTITY SUBJECT
26 TO PART 3 OR 4 OF THIS ARTICLE SHALL NOT VARY THE PREMIUM RATE FOR
27 AN INDIVIDUAL SICKNESS, ACCIDENT, OR HEALTH INSURANCE POLICY,

1 CONTRACT, CERTIFICATE, OR OTHER EVIDENCE OF COVERAGE DUE TO THE
2 GENDER OF THE INDIVIDUAL POLICYHOLDER, ENROLLEE, SUBSCRIBER, OR
3 MEMBER. ANY PREMIUM RATE BASED ON THE GENDER OF THE INDIVIDUAL
4 POLICYHOLDER, ENROLLEE, SUBSCRIBER, OR MEMBER SHALL BE
5 CONSIDERED UNFAIRLY DISCRIMINATORY AND SHALL NOT BE ALLOWED.

6 **SECTION 2. Act subject to petition - effective date -**
7 **applicability.** (1) This act shall take effect at 12:01 a.m. on the day
8 following the expiration of the ninety-day period after final adjournment
9 of the general assembly that is allowed for submitting a referendum
10 petition pursuant to article V, section 1 (3) of the state constitution,
11 (August 11, 2010, if adjournment sine die is on May 12, 2010); except
12 that, if a referendum petition is filed against this act or an item, section,
13 or part of this act within such period, then the act, item, section, or part,
14 if approved by the people, shall take effect on the date of the official
15 declaration of the vote thereon by proclamation of the governor.

16 (2) The provisions of this act shall apply to rates for individual
17 sickness, accident, or health insurance policies, contracts, certificates, or
18 other evidence of coverage set on or after the applicable effective date of
19 this act.